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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT

CD NO.

COUNTRY Spain

DATE DISTR. 16 August 1950

SUBJECT Activities of New Official Export-Import Firm

NO. OF PAGES 2

PLACE 25X1A

ACQUIRED [REDACTED]

RETAIN OR DESTROY

NO. OF ENCLS.
(LISTED BELOW)

DATE OF

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SUPPLEMENT TO
REPORT NO.

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1. A company newly formed by the Banco Exterior de España and called the "Fomento de Comercio Exterior S.A."** approached the Compañía Rio Tinto in early August 1950 with reference to the exportation of pyrites. A letter received by the Madrid office of Rio Tinto on 5 August requested quotations on 10,000 to 50,000 tons of pyrites for shipment to an unstated destination.
2. Following up the letter, Jacinto BUENAVENTURA, representing the Banco Exterior, and Ramon SERRANO Guzman, an official of the Fomento, visited the Rio Tinto office. SERRANO, who first said that the pyrites were destined for Tangier and later said that they were to go to eastern Germany, announced that he represented the Spanish Government, and that thenceforth all trade with Iron Curtain countries would be a monopoly of the Fomento.
3. Although SERRANO reportedly has the full approval of Minister of Industry and Commerce Juan Antonio SUANZES and of Tomas SUNER y Ferrer, Under Secretary of Foreign Economy and Commerce, in the operation of the Fomento, BASABE insisted that the SUANZES Ministry did not intend to set up a monopoly, and said that the Fomento would not become a "commercial INI." The government-supported firm, BASABE added, will undertake limited specialized deals and will pioneer "uncharted fields" such as trade with Czechoslovakia. With SUANZES' support and with the financial backing of the Banco Exterior, the Fomento can undertake import-export negotiations involving financial risks which according to BASABE private companies could not afford. BASABE claimed that the capitalization of the Fomento was only 250,000 pesetas *** He described SERRANO as highly intelligent and capable, and honest although direct and brusque.
4. The management of Rio Tinto reportedly suspects that the pyrites requested by the Fomento are desired for Poland and is concerned about potential interference with its export trade by the Fomento.
5. An application for an export license for 100,000 tons of Rio Tinto pyrites reportedly made by Victor OSWALD was still under review as of 10 August. According to BASABE, it probably would be approved.

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~~SECRET~~ ^{25X1A} Comment. The "Fomento" undoubtedly is identical with the organization referred to as "Expansion Comercial" in ~~SECRET~~

**~~SECRET~~ ^{25X1A} Comment. El Economista reported the capitalization as 1,000,000 pesetas.

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